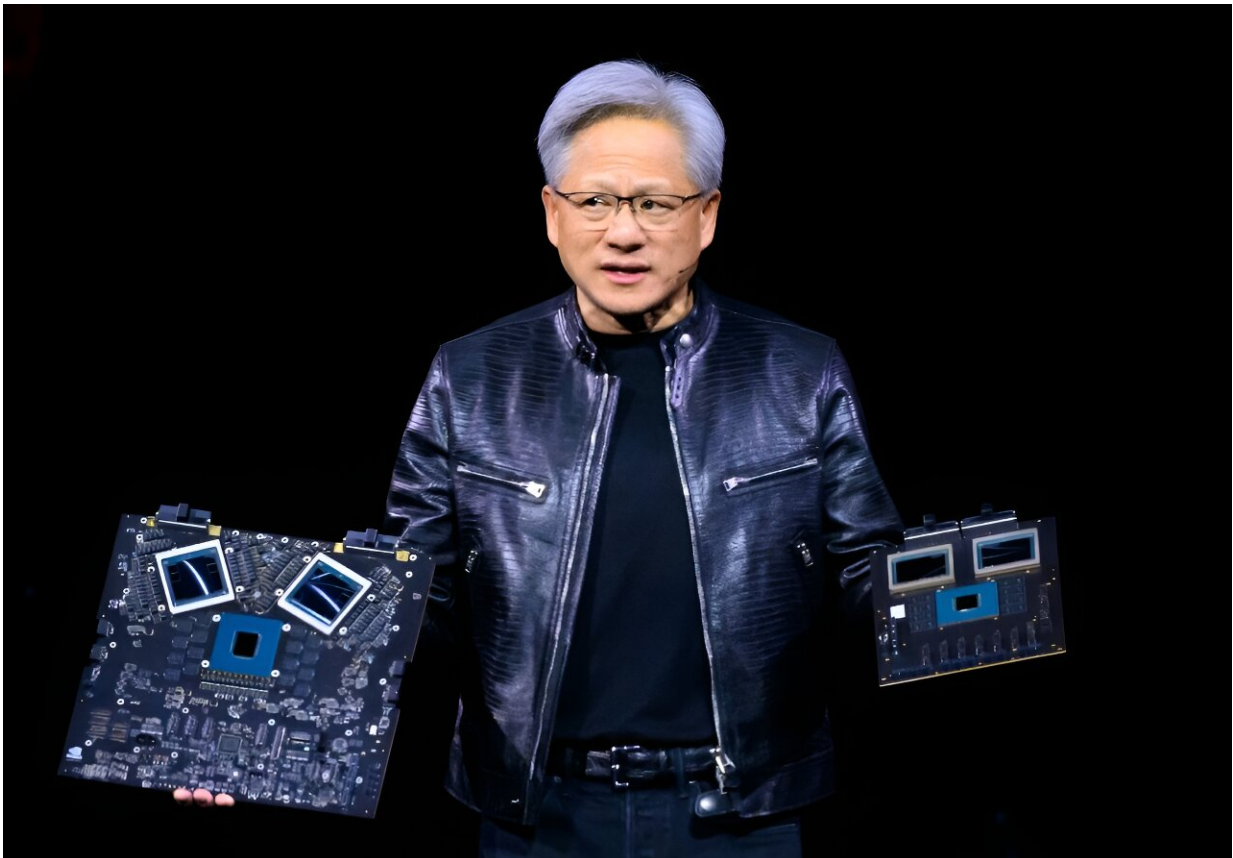


Nvidia expects no 'doomsday' in US vs China tensions

March 20 2024, by Glenn CHAPMAN



NVIDIA CEO Jensen Huang says chips powering artificial intelligence in datacenters have become systems containing tens of thousands if not hundreds of thousands of parts, many made in China.

Nvidia chief Jensen Huang said Tuesday he does not expect a

"doomsday scenario" but is readying for the worst over tension between China and the United States.

The United States last year tightened [export controls](#) on technology from Nvidia and other chip companies to keep it out of the hands of the Chinese military.

And anti-China sentiment seems a rare unifying theme in a politically divided US Congress, with legislation aimed at curbing Chinese-owned TikTok.

"I do have confidence that the goal of the nations is not adversarial," Jensen said when asked by AFP how friction between the countries could affect Nvidia.

"The doomsday scenario is not likely to happen. We're not counting on it, certainly things we can do are related to resilience and compliance."

For now, Nvidia needs to ensure chips intended for the China market comply with US restrictions, and to make its [supply chain](#) more diverse, Huang said.

He pointed to Nvidia's freshly unveiled Blackwell computing systems for powering [artificial intelligence](#), noting that they contain tens of thousands if not hundreds of thousands of parts.

"Those parts come from all over the world, many of them are from China," Huang said.

"That is just the truth. That is also the truth for the [auto industry](#); this is also the truth for the defense industry."

Unlike many of its rivals such as Intel, Micron and Texas Instruments,

Nvidia does not manufacture its own chips, but uses subcontractors, mainly the Taiwan Semiconductor Manufacturing Company.

Given the geopolitical concerns with Taiwan and China, this could be a weak spot.

Nvidia on Monday launched its latest family of chips for powering artificial intelligence, as it seeks to consolidate its position as the major supplier to the AI frenzy.

Known as Blackwell GPUs, the AI "superchips" are four times as fast as the previous generation when training AI models, Nvidia said.

Nvidia's GPU chips and software are integral to creation of generative AI, with rivals like AMD or Intel still struggling to match the power and efficiency of the company's products.

Nvidia on Monday also announced a major expansion of its collaboration with world-leading BYD and other Chinese electric car makers, including on the development of autonomous AI-boosted vehicles.

The move deepens Nvidia's connections with the Chinese EV industry even as it is separately prohibited by the United States from exporting its most powerful AI hardware to China.

Beijing has slammed US curbs on [chip](#) exports to that country as "bullying" and "technological terrorism."

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